

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ROBERT STINSON, JR., et al.,

Defendants/Relief Defendants.

CIVIL ACTION NO.
10-CV-03130 (BMS)

HON. BERLE M. SCHILLER

**FIRST QUARTERLY FEE APPLICATION FOR THE
CALENDAR QUARTER ENDING ON SEPTEMBER 30, 2010**

The Receiver, Kamian Schwartzman ("Receiver"), by and through his counsel, Pietragallo Gordon Alfano Bosick & Raspanti, LLP, hereby submits his Quarterly Fee Application for the quarter ending on September 30, 2010, and in support thereof states as follows:

1. On September 13, 2010, the Court entered an Order Establishing Receivership Estate. See Docket No. 29. Also on September 13, 2010, the Court entered an Order appointing Kamian Schwartzman as Receiver in this action and Gaetan Alfano, Esquire, as Receiver's counsel. See Docket No. 30.

2. Pursuant to the Order Establishing Receivership Estate, the Receiver must submit Quarterly Fee Applications to the Court. See Docket No. 29 ¶ 44. These Fee Applications are interim in nature, subject to a twenty (20) percent holdback and final review at the close of the Receivership. See Docket No. 29 ¶¶ 45, 46.

3. In addition, each Quarterly Fee Application shall comply with the terms of the Billing Instructions, and contain certain representations, including a Certification. See Docket

No. 29 ¶ 47. The instant application concerns only the initial period of the Receivership from September 13, 2010, until September 30, 2010.

4. The Receiver has made no prior applications for fees or expenses, and no fees or expenses have been paid to date. Pursuant to this Court's Order entered on December 10, 2010, the Receiver anticipates filing his Initial Report in approximately one month, as well as a second fee petition. It is anticipated that the Receiver will provide in these filings, a more comprehensive description of the Receiver's findings, a Standardized Fund Accounting Report, and the Estate composition, through the end of December.

5. As this initial period consisted of only two weeks, a portion of the Receiver and Staff's time was spent analyzing the filings and any applicable authority, as well as meeting with the Securities and Exchange Commission ("SEC"). In addition to these preliminary efforts, the Receiver and Staff:

- a. Filed notices, pursuant to 28 U.S.C. § 754, which states that a "receiver shall, within 10 days after the entry of his order of appointment, file copies of the complaint and such order of appointment in the district court for each district in which property is located." In accordance with this statute, the Receiver filed § 754 Notices in ninety-four (94) district courts on or about September 20, 2010.
- b. Developed a website, (www.lifegoodfundsreceivership.com), to inform investors, and the general public, of the status of the SEC action and Receivership Estate. The website makes available each docket entry in the case and provides news items related to the case. Moreover, the website allows investors to contact the Receiver directly with any inquiries regarding the Receivership Estate.¹
- c. Reviewed all documents provided by the SEC, including information on real property connected to the Defendants and Relief Defendants ("Source Entities"), information on individuals and organizations that may have received funds from the Source Entities, and information on investor payments and withdrawals.

¹ While the website did not go live until October 11, 2010, much of the website construction and design occurred prior to September 30, 2010.

- d. Conducted background research relating to the Source Entities and those affiliated with the Source Entities.
- e. Began serving banks that held assets in the name of the Source Entities with the Order Establishing Receivership Estate.
- f. Applied to obtain a tax identification number for the Receivership Estate, pursuant to the Order Establishing Receivership Estate, ¶ 32.
- g. Conducted preliminary research on the assets and property subject to the Order Establishing Receivership Estate.
- h. Investigated potential vendors for the eventual sale of any property seized by the Receivership.

6. From September 13, 2010 until September 30, 2010, the Receiver and Staff incurred fees and expenses totaling \$37,296.26. See Exhibit A and B. Thus, pursuant to the Order Establishing Receivership Estate, the Receiver and Staff respectfully request \$29,837.00, the actual fees and expenses minus a twenty (20) percent holdback.

7. As of November 30, 2010, the Estate held liquid assets of \$197,977.93.

8. All of the fees and expenses incurred by the Receiver and Staff as a result of the above-mentioned actions were incurred in the best interests of the Receivership Estate.

9. A Certification, as required by the Billing Instructions provided by the S.E.C., is attached as Exhibit C.

10. Additionally, with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate.

11. The S.E.C. has previously been provided with a copy of the Application along with exhibits and relevant billing information.

WHEREFORE, the Receiver respectfully requests that the Court enter an Order granting the Receiver and Staff fees and expenses in the amount of \$29,837.00.

Respectfully submitted,

**PIETRAGALLO GORDON ALFANO
BOSICK & RASPANTI, LLP**

By:

A handwritten signature in dark ink, appearing to read 'Gaetan J. Alfano', written over a horizontal line.

GAETAN J. ALFANO, ESQUIRE
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Counsel for Kamian Schwartzman, Receiver

Dated: December 13, 2010
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